

## Message Text

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PAGE 01 STATE 087918  
ORIGIN DLOS-09

INFO OCT-01 ISO-00 EB-08 SS-15 OES-07 SSO-00 /040 R

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O 060002Z APR 78  
FM SECSTATE WASHDC  
TO USMISSION GENEVA IMMEDIATE

C O N F I D E N T I A L STATE 087918

STADIS/////////  
FOR AMBASSADOR RICHARDSON FROM BERLIND

E.O. 11652: GDS

TAGS: PLOS

SUBJECT: WAYS AND MEANS HEARING ON HR 3350

1. CHIEF COUNSEL OF WAYS AND MEANS COMMITTEE INFORMS US THAT HEARINGS WILL BE HELD ON THE MORNING OF THURSDAY, APRIL 13, WITH MARK-UP PROBABLE THAT AFTERNOON. ALTHOUGH WE UNDERSTAND THAT TREASURY, OWING TO THE ABSENCE OF MRS. JUNZ, AND OMB MAY REQUEST POSTPONEMENT, WE BELIEVE IT HIGHLY UNLIKELY THAT REQUEST WILL BE HONORED IN VIEW OF OTHER PRESSING BUSINESS ON WAYS AND MEANS AGENDA.

2. WAYS AND MEANS WANTS TESTIMONY FROM STATE DEPARTMENT OFFICIAL "WITH INFLUENCE" (AS WELL AS FROM TREASURY). BOTH DICK COOPER AND JULES KATZ WILL BE OUT OF THE COUNTRY ON APRIL 13. IN VIEW OF IMPORTANCE OF BEING RESPONSIVE TO  
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WAYS AND MEANS' EXPEDITIOUS HANDLING OF THIS MATTER, SUGGEST YOU CONSIDER MAKING YOURSELF OR GEORGE ALDRICH AVAILABLE FOR TESTIMONY. THIS WOULD ENTAIL ABSENCE FROM CONFERENCE FOR A COUPLE OF DAYS, BUT WOULD BE WELL WORTH THE EFFORT.

3. TESTIMONY WILL ADDRESS ADMINISTRATION REVENUE SHARING

PROPOSAL DELIVERED TO CONCERNED COMMITTEES ON MARCH 23.  
CHIEF COUNSEL INDICATES THAT LANGUAGE IS UNLIKELY TO SURVIVE

MARK-UP, WHICH WILL PROBABLY RESULT IN MORE EXPLICIT  
IDENTIFICATION OF PAYMENTS DEPOSITED BY PERMITTEES AS  
TAXES. IN ANY CASE, WAYS AND MEANS CONSIDERS THE REVENUE  
SHARING PROPOSAL TO BE A TAX ISSUE.

4. IN THE MEANTIME, OMB AND TREASURY ARE INTENT ON GETTING  
AN AGREED TAX PACKAGE TO THE HILL BEFORE THE WAYS AND MEANS  
HEARING TAKES PLACE. IN THIS CONNECTION, COOPER HAS SENT  
SECRETARY BLUMENTHAL A LETTER DATED APRIL 3 SEEKING  
LATTER'S RECONSIDERATION OF TREASURY POSITION. COOPER  
LETTER ARGUES FOR POSTPONEMENT OF TAX TREATMENT DECISION  
OR, AS ALTERNATIVES, IF TREASURY PERSISTS IN GOING AHEAD,  
DEDUCTABILITY WITH SPECIFIC REFERENCE TO REVENUE SHARING  
PAYMENTS AS SPELLED OUT IN HR 3350 OR CREDITABILITY WITH  
RESPECT TO PROFIT SHARING PAYMENTS TO AN INTERNATIONAL  
SEABED AUTHORITY. (COOPER LETTER POUCHED TO ALDRICH  
TODAY.)

5. WILL KEEP YOU INFORMED ON WAYS AND MEANS SCHEDULE AND  
OTHER DEVELOPMENTS. IN THE MEANTIME, ASSUMING APRIL 13  
HEARINGS, WOULD APPRECIATE YOUR VIEWS ON TESTIMONY. WOULD  
ALSO BE MOST HELPFUL TO HAVE BLUMBERG TAKE FIRST CUT AT  
TESTIMONY FOR YOU AND ALDRICH TO REVIEW AND CABLE STADIS  
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TO US. VANCE

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## Message Attributes

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